

Minnwest Message

Sign-up for Online Statements!

More and more banking is headed to the convenience of the Internet. And, Minnwest Bank is always looking for ways to make your banking experience at Minnwest simpler and safer. That's why we now offer all of our customers . . . personal, business and ag. . . online checking and savings account statements. They look and function just like their traditional paper counterparts. But they are easy to download, even easier to archive on your computer and they can be printed if needed.

You'll be able to view them 2 to 3 days sooner than the mailed versions and you'll be alerted by email when new statements are available. They reduce the risk of mail fraud, identity theft and excess paper waste. Read more about Minnwest's Online Statements in this Community Connection and how you can begin receiving them in your email inbox.

Minnwest wants you to be a better financial consumer.

New study shows Americans don't understand basic economics.

"In the Midst of Economic Crisis, New Survey Finds Most Americans Don't Understand Basic Economics."

Financial Knowledge = \$ Power

That was the headline of a December news release from the Center for Economic and Entrepreneurial Literacy (CEEL). The survey, conducted a week earlier by Opinion Research Corp., shows that an overwhelming number of Americans are unable to answer some of the most basic questions about borrowing, interest rates, terminology, and even basic math. More troubling is that many Americans admit to making poor decisions with their own personal finances.

Minnwest Bank is committed to helping its customers, and the general public, to be informed about financial matters. Past Community Connection newsletters have covered such topics as: FDIC Insurance coverage, Health Savings Accounts, CD ladders, safe deposit boxes, raising a money-smart child and responsible home equity usage.

You can reference some of this information on our website. Go to www.minnwestbank.com/newsletters.aspx

Let's go back to that survey and see what Americans are failing in as far as basic financial literacy. The findings may startle you:

75% did not know that when in need of short-term emergency cash, bouncing a check costs more than wire transfers, credit card advances, and short-term payday loans.

SOLUTION:

If you save a small amount each month, you could have that short-term cash emergency fund. It's very, very simple with a Minnwest Automatic Savings Account. In fact, it's savings at its easiest. The account automatically transfers funds from checking to savings each month. You can save as little as \$25 each month from your paycheck. We urge you to look into this plan.

In a May survey by the same organization. . .

Nearly 70% of respondents did NOT identify "FICO score" as the most important factor in obtaining a home loan, when asked to choose from a list of four factors.

(Perhaps with all the recent press about FICO, that number looked better in the December survey. Fourteen percent more now realized

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how important this number is. But alas, still over 50% of Americans don't seem to understand FICO.)

56% of respondents could not identify FICO score as the most important factor in getting a loan.

BACKGROUND INFO:

The Spring 2006 issue of Minnwest's Community Connection explained how FICO scores worked, obtaining free credit reports and more. Check out our Newsletter Archives at www.minnwestbank.com//newsletters.aspx

A FICO score, which is named after the company who created the formula – Fair Isaac Company, is one of the factors used to determine your credit worthiness. Unfortunately, the lower your FICO score, the higher rate of interest you will pay on a loan. That's why it is so important to protect that score. Scores can range from 300 to 850. Fair Isaac has disclosed the following five components that contribute to a FICO score as well as the approximate value each has in determining an overall score:

- Payment history - 35%
- Amount of debt - 30%
- Length of credit history - 15%
- New credit - 10%
- Types of credit used - 10%

Financial Power = Security & Stability

Half of respondents have over drafted their checking account at one time, while a third of respondents have paid a bill late in the past year.

SOLUTION:

First, it is essential to keep a detailed check ledger for your checking and debit purchases. This will alert you to a low balance in your account. Online Banking may also help you here. The service is free and you can easily keep track of your accounts. And, if you just can't seem to keep track of upcoming bill payments, consider our Bill Pay feature of Online Banking. It's free with most Minnwest checking accounts. Not only can you save postage, but for you bill pay procrastinators there's a special email feature. You can be easily alerted via email of upcoming payments that are due. In addition, you can schedule recurring payments so you never have a past due bill. But again, it is essential that you watch the balance in your accounts. You can sign up for Online Banking at www.minnwestbank.com/onlinebanking.aspx

69% of respondents do NOT know that you have to pay both the interest on your entire balance as well as a late fee when making a late credit card payment.

TIP:

That's why it's so important to watch those payment dates. And, of course, don't overspend on your credit card account so you won't have to worry about not being able to cover the payment. At the very least, make a minimum payment by the due date to avoid the late fee. You'll still be paying interest on the entire balance though.

97% of respondents can NOT identify the percentage that service fees typically take out of a \$20 ATM withdrawal. Over 90% either didn't know how much the fee would be or thought it was less than it really is.

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Now get your Minnwest Bank statements online!

Beginning in March, Minnwest customers can view, download and print their checking and savings account statements. Online statements are available for all checking and savings accounts including personal, business and ag

accounts. Here are just some of the advantages to switching to Online Statements:

- Receive them 2-3 days sooner than paper statements.
- Email notification alerts you when new statement is available.
- Reduce the risk of mail fraud and identity theft from mailed paper statements.
- View, download and print up to 12 months of statements.
- Online Statements are saved as PDFs that can be accessed, saved and printed as needed.
- Look and function just like paper statements.
- No fee for Online Statements.
- Online Statements are environmentally friendly.

To receive Online Statements, you'll need to enroll in Minnwest Online Banking. . . another free and convenient service. And, you can enroll by simply going to the Minnwest website at www.minnwestbank.com (Business & ag customers need to contact a Minnwest rep to enroll.)

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TIP:

ATM fees can slowly eat away at your hard-earned funds. That's why last fall, Minnwest Bank switched ATM vendors. Your Minnwest MasterCard ATM/ Debit Card is now part of a very large FREE ATM network called MoneyPass . There are over 15,000 MoneyPass ATMs nationwide. You'll find them at most Minnwest offices and US Bank branches. MoneyPass can be found at other banks, credit unions, convenience stores, grocery stores, restaurants, discount retailers and more. Use your card at those ATMs and you'll never pay a fee. You'll be saving a lot of money if you do.

35% of respondents admitted to not having a family or personal budget that would allow them to conceivably eliminate their credit card debt by the end of 2009.

HELP:

Kiplinger.com has a "A Budget for Today and Tomorrow" worksheet. It allows you to get on top of your monthly living costs by projecting expenditures in various categories, and then comparing those projections to what you actually spend. Check out this budgeting worksheet at <http://www.kiplinger.com/tools/budget/>

Only 16% of respondents knew that you can withdraw money from a Roth IRA for education expenses, your first home purchase, and retirement spending.

MORE INFO ON ROTH IRAs:

Roth IRAs primarily differ from Traditional IRAs in that the contributions are not tax-deductible, but all the interest earned on the account is tax-exempt. When you begin taking qualified withdrawals from an IRA, all the funds, including interest earned, will be tax-free. This is quite an advantage when every dollar counts if you are on a fixed income in later years. Normally, distributions can be withdrawn beginning at age 59 ½, but here are some exceptions.*

How you can use a Roth IRA for qualified higher education expenses:

Amounts are penalty free if they go towards qualified higher-education expenses of the Roth IRA owner and/or his or her dependents. These qualified education expenses are tuition, fees, books, supplies and equipment required for the enrollment or attendance of a student at an eligible educational institution. An eligible educational institution is any college, university, vocational school, or other post secondary educational institution eligible to participate in the student aid programs administered by the Department of Education - these include virtually all accredited post secondary institutions, whether public, nonprofit, or proprietary (privately owned and profit-making).

How you can use a Roth IRA to purchase a first home:

The Roth IRA owner can make penalty-free distributions to purchase, build or rebuild a first home:

- for the Roth IRA owner
- for the Roth IRA owner's spouse.
- for a child of the Roth IRA owner or of the Roth IRA owner's spouse.
- for a grandchild of the Roth IRA owner or of the Roth IRA owner's spouse.

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Teaching Kids Financial Literacy

In a recent Suze Orman broadcast, one 20-something gal called in and told Suze that she NEVER REALIZED she had to pay back her credit card purchases.

Apparently she thought it was "free money."

Orman is a financial advisor who not only has her own show on CNBC, she seems to be appearing on every major talk show answering viewers questions.



SOLUTION:

The answer here rests in the hands of parents and guardians. Children need to be taught at an early age about financial responsibility. At Minnwest Bank, we have the Minnwest Money Magic Savings Club for kids up to age 13. Kids receive incentives for saving as part of the club. Again, an earlier Minnwest Community Connection gave parenting tips. Go to www.minnestbank.com/newsletters.aspx. It outlined at what age youngsters understand certain monetary concepts. In addition, if your child is enrolled in the Money Magic Savings Club, each quarter you'll receive Milo's Money Magic Newsletter. It has parenting tips, as well as sections for younger and older children.

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- for a parent or other ancestor of the Roth IRA owner or of the Roth IRA owner's spouse

* Consult your tax advisor for complete details concerning your situation and qualified withdrawals.

If you have a question you'd like explained further, email Greg Czerwinski at gregc@minnwestbankgroup.com and we'll feature it in an upcoming issue of Community Connection.

VIEW, PRINT AND DOWNLOAD

ONLINE STATEMENTS

THEY'RE FREE, SAFE AND ENVIRONMENTALLY FRIENDLY

Now available free on all Minnwest checking and savings accounts.

- Email notification alerts you when new statements are available.
- Receive them 2-3 days sooner than paper statements.
- Look and function just like paper statements.
- Reduce the risk of mail fraud, identity theft & paper waste.
- No fee for Online Statements.

Switch to Online Statements via your Minnwest Online Banking account. Just go to www.minnwestbank.com, log in to your account and make the switch.*

*You need to be enrolled in Minnwest Online Banking to receive Online Statements. Business & ag customers need to contact a Minnwest rep to enroll in Online Statements.

Member FDIC



Enrolling in Minnwest's Online Banking just got easier!

If you haven't signed on to Minnwest's Online Banking now is the time to do so! Why? Because you can sign up right online. . . from your home, office or any computer . . . and now there's no waiting several days to receive your password. You'll get a temporary password immediately. . . which you can change to your very own version. With that password, you can log in to your accounts right then and there!

If you haven't considered the advantages of Online Banking, please do. No matter what hour of the day or night, you can bank at Minnwest. With your busy hectic schedule, it's easy to log into Minnwest Bank long after our traditional offices have closed. You'll be able to transfer funds from various accounts, check balances, reconcile your checking account, pay bills (when enrolled in Online Bill Pay) . . . and now receive Online Statements.

Go to www.minnwestbank.com and enroll in Online Banking and you'll have access to your accounts in no time. . . literally!

Your situation is unique, please consult with an appropriate advisor before making any decisions based on this information. While all information was obtained from resources believed to be reliable, Minnwest Bank and its marketing affiliate cannot guarantee that the information is complete or accurate. Minnwest Bank's Community Connection is intended to provide general information only and should not be construed as legal, accounting, tax or other professional advice.